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C O N F I D E N T I A L SARAJEVO 003102

SIPDIS

SIPDIS

DEPT FOR EUR (DICARLO), EUR/ACE, EUR/NCE, EUR/SCE (HOH,
SAINZ, FOOKS), D (SMITH), P (BAME), F, L/LEI, OIG, AND PM

E.O. 12958: DECL: 12/01/2016
TAGS: [KCRM](#) [MASS](#) [PREL](#) [MOPS](#) [PGOV](#) [BK](#) [SI](#)
SUBJECT: REQUEST FOR GUIDANCE ON DEMINING ISSUES

REF: SARAJEVO 2907

Classified By: CDA JUDITH CEFKIN FOR REASONS 1.4 (b) and (d)

[1](#)1. (U) This is an action request. Please see paragraph 7.

SIPA INVESTIGATION

[1](#)2. (C) Due to widespread allegations of irregular practices and possible misuse of USG demining assistance, post seeks Department concurrence with a proposal to request that the Bosnian State Protection and Investigation Agency (SIPA) open an investigation of demining programs in Bosnia. As the premier state-level law enforcement agency, SIPA has the jurisdiction and capabilities to investigate ongoing allegations of fraud and malfeasance and pursue appropriate legal action. SIPA has the necessary authority to gather documentation, compel testimony, and conduct inspections of programs throughout the country. Financial crimes, organized crime, and money laundering fall within the SIPA mandate.

[1](#)3. (C) Post continues to support any proposals to audit ITF programs, as appropriate. However, an ITF audit or Government of Slovenia investigation would lack the necessary jurisdiction to conduct a comprehensive investigation of events or individuals in Bosnia. Concerns over demining are not limited to ITF activities, but include actions of the Bosnia and Herzegovina Mine Action Center (BHMIC) and local demining companies. SIPA is the only organization with the appropriate authority and capabilities to conduct the investigation necessary to evaluate claims of malfeasance and any abuse of USG funds.

[1](#)4. (C) Post is mindful that demining in Bosnia remains crucial to the long-term stability and economic health of the country and recognizes the potential for a broader criminal investigation, beyond the pending Kojic case, to slow the pace of demining work in Bosnia in the near term. Nonetheless, the seriousness of the current allegations undermine the integrity and viability of demining programs here in Bosnia, and until they are resolved, post cannot ensure that USG support is effective and accountable. To that end, corrective action, if required, cannot be taken without an investigation by law enforcement authorities of current demining practices.

MISSION INTERACTIONS WITH ITF

[1](#)5. (C) Post also requests formal department guidance on continued engagement with ITF in Bosnia. ITF Sarajevo is proceeding with the tender process and seeks to schedule an

evaluation commission meeting for several proposed U.S.-funded demining projects. To date, post has declined to participate in the meeting pending ITF compliance with our request to release documentation on eligible demining companies. In keeping with the oversight responsibilities inherent in post's role on the commission, we have requested the registration, financial, employment and equipment information for each eligible company in order to verify their bona fides.

¶6. (C) However, even if ITF were to comply with our request, post believes that given the nature and scope of allegations surrounding the demining process here our continued participation in the work of the commission merits serious review. Absent confirmation of accountability that can only be provided by an audit or investigation, our continued participation in the commission carries a risk of providing USG endorsement to programs that may be engaged in the misuse of USG demining funds.

ACTION REQUEST

¶7. (C) Post requests Department concurrence with our proposal to seek a SIPA investigation of demining concerns in Bosnia in order to fully evaluate allegations of fraud and malfeasance involving USG donor funds. Post also seeks formal department guidance on whether to continue to participate in the ITF tender process.
CEFKIN